

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 01294 141342Z

44

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-05 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 SP-02 STR-01 TRSE-00 CIEP-01 FRB-03

OMB-01 /044 W

----- 033370

P R 141220Z FEB 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 8288

INFO ALL EC CAPITALS 0349

LIMITED OFFICIAL USE EC BRUSSELS 01294

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, EEC

SUBJECT: SOYBEAN GUIDE PRICE 1975/76 MARKETING YEAR

REF: (A) STATE 028001 (B) EC BRUSSELS 9618 (C) EC BRUSSELS
001152 (D) EC BRUSSELS 01275

1. SUMMARY. THE MISSION HAS CONVEYED TO THE COMMISSION THE POINTS CONTAINED IN REFTEL A, AS A FOLLOW-UP TO THE FIRST DISCUSSION REPORTED IN REFTEL C, ABOUT THE DANGERS OF HIGH GUIDELINE PRICES FOR SOYBEANS. COMMISSION OFFICIALS SAID THEY WOULD GIVE OUR MESSAGE TO THEIR SUPERIORS BUT DOUBTED THAT THE PROPOSED INCREASE IN SOYBEAN GUIDE PRICES PER SE WOULD AFFECT US EXPORTS. END SUMMARY.

2. MISSION OFFICER MET ON FEB. 12 WITH SCHIRATTI, EC COMMISSION OFFICIAL IN CHARGE OF OILSEEDS, TO DISCUSS THE SOYBEAN GUIDE PRICES. OUR MEETING TOOK PLACE PRIOR TO THE EC COUNCIL DECISION ON THE 1975/76 AGRICULTURAL PRICES---WHICH APPROVED THE COMMISSION'S PROPOSAL FOR THE SOYBEAN GUIDE PRICE INCREASE (REFTEL D).

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 01294 141342Z

3. IN OUR DISCUSSION WITH SCHIRATTI WE REVIEWED THE IMPLICATIONS

OF A 12 PERCENT INCREASE IN THE GUIDE PRICES. WE EXPLAINED TO SCHIRATTI US CONCERNS OVER A HIGH GUIDELINE PRICE IN THE FACE OF LOW WORLD MARKET PRICES.

4. SCHIRATTI NOTED WITHOUT COMMENT OUR CONCERNS OVER POSSIBLE IMPAIRMENT OF THE US BINDING. HE SAID HE WOULD REPORT THIS, AS WELL AS OUR PREVIOUS CONVERSATION (REFTEL C), TO FRANKLIN, COMMISSION DEPUTY DIRECTOR GENERAL FOR AGRICULTURE, WHO WAS AT THAT TIME TIED UP WITH THE COUNCIL OF AGRICULTURAL MINISTERS.

5. SCHIRATTI WENT ON TO STATE THAT THE SOYBEAN PRICE MUST REMAIN WITHIN THE RANGE SET BY THE PRICES FOR RAPESEED AND SUNFLOWERSEED. THIS IS IN KEEPING WITH THE COMMISSION'S GUIDELINES FOR DETERMINING THE SOYBEAN SUPPORT PRICE LEVEL. THEREFORE, THE INCREASE PROPOSED BY THE COMMISSION FOR ALL THREE PRICES AIMED AT MAINTAINING THAT RELATIONSHIP.

6. IN HIS VIEW, THE 12 PERCENT INCREASE IN THE SOYBEAN GUIDE PRICES SHOULD HAVE NO EFFECT PER SE ON U.S. EXPORTS TO THE COMMUNITY. BUT HE DID NOT DISCOUNT THE POSSIBILITY OF A DECLINE IN U.S. SOYBEAN EXPORTS TO THE COMMUNITY IN 1975/76 DUE TO EXPECTED REDUCED EC DEMAND FOR PORK AND POULTRY MEAT. HE SAID IT WOULD BE UNREALISTIC TO EXPECT THAT THE U.S. COULD MAINTAIN IN 1975/76 THE UNUSUALLY HIGH LEVEL OF ITS SOYBEAN EXPORTS IN 1974/75. SCHIRATTI SUPPLIED THE FOLLOWING DATA ON CRUSHINGS WHICH, FOR SOYBEANS, ARE TANTAMOUNT TO IMPORTS:

	FIRST	FIRST				
	PERCENT	SEMESTER	SEMESTER	PERCENT		
	1972	1973	CHANGE	1973	1974	CHANGE
	(-----1,000 MT-----)					
RAPESEED	1,439	1,434	-	566	480	-15.19
SOYBEAN	6,251	7,001	PLUS	3,582	4,699	PLUS
	12.00			31.18		
SUNFLOWER	228	247	PLUS	157	164	PLUS
SEED		833			4.46	

7. SCHIRATTI SAID THAT SOYBEANS NOW ARE BEING OFFERED AT MUCH LOWER PRICES THAN THEY WERE LAST YEAR, AND THEY ARE REPLACING A SIGNIFICANT QUANTITY OF GRAINS IN COMPOUND FEEDS. THE SOYBEAN /CORN PRICE RELATIONSHIP IS NOW ABOUT THE SAME AS IT WAS TWO YEARS AGO, HE SAID. IN HIS VIEW, SOYBEAN OIL PRICES WILL DECLINE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 01294 141342Z

IN THE SHORT TO MEDIUM TERM FUTURE. ON THE OTHER HAND, PRICES FOR CAKE ARE PROBABLY AT THEIR LOW POINT (\$145-\$150 PER MT C.I.F. ROTTERDAM) AND HE EXPECTS THEM TO INCREASE. GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRODUCTION, SOYBEANS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU01294
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750054-0593
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750243/aaaabmas.tel
Line Count: 110
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) STATE 028001 (B) EC BRUSSELS 961, 8 (C) EC BRUSSELS
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 14 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 APR 2003 by KelleyW0>; APPROVED <19 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SOYBEAN GUIDE PRICE 1975/76 MARKETING YEAR
TAGS: EAGR, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006